

ADM-12.05, "Accounting Practices and Control, April 17, 2015"

SCDC POLICY

NUMBER: ADM-12.05

TITLE: ACCOUNTING PRACTICES AND CONTROL

ISSUE DATE: April 17, 2015

RESPONSIBLE AUTHORITY: DIVISION OF FINANCE

OPERATIONS MANUAL:ADMINISTRATION

SUPERSEDES: ADM-12.05 (July 1, 2008); (February 1, 2001)

RELEVANT SCDC FORMS/SUPPLIES: NONE

ACA/CAC STANDARDS:4-ACRS-7D-17, 4-ACRS-7D-24, 4-ACRS-7D-25, 4-ACRS-7D-26, 4-4027, 4-4036

STATE/FEDERAL STATUTES: South Carolina Code Annotated Section 11-3-130 (1976); and 11-3-140.

PURPOSE: To establish guidelines for accounting management practices and controls within the South Carolina Department of Corrections (SCDC).

POLICY STATEMENT: The Agency is committed to safeguarding its assets against loss from unauthorized use or disposition. To this end, the SCDC will establish and maintain accounting management practices and controls that provide reasonable protection against unauthorized use or disposition of Agency funds; that ensure correct and timely payment to vendors; and that require all financial transactions to be properly recorded. The accounting management practices and controls used within the (SCDC) will comply with all applicable state and federal statutes, State Budget and Control Board regulations, and Agency policies and procedures, including prescribed auditing practices as appropriate. (4-ACRS-7D-17, 4-ACRS-7D-24, 4-4027 4-4036)

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SPECIFIC PROCEDURES:

1. ACCOUNTING MANAGEMENT:

1.1 The Division Director of Finance will be responsible for the overall management and control of the Agency's accounting activities. SCDC employees will be responsible for controlling and safeguarding assets, resources, and funds assigned to them in accordance with applicable Agency policies and procedures and state and federal laws and regulations. (4-ACRS-7D-17, 4-ACRS-7D-24, 4-4027, 4-4036)

1.2 The Division Director of Finance will be responsible for coordinating, publishing, and distributing in a timely manner all information related to any changes made to applicable laws, regulations, or Agency policies and procedures that affect accounting management.

1.3 The Division Directors or Assistant Directors of Resource and Information Management; Finance, and Training and Staff Development will be responsible for providing training to educate appropriate SCDC personnel in fiscal policies and procedures and any changes thereto.

2. INTERNAL CONTROLS:

2.1 The Division Director of Finance will be responsible for initially identifying specific measures of internal control and for recommending expanded procedures of internal control to the Deputy Director of Administration who will evaluate all such recommendations and be responsible for determining if they will be implemented. (4-ACRS-7D-17, 4-4027)

2.2 Basic internal control procedures will change as needs dictate, i.e., as changes are made in processing work, as more automation takes effect, as services are expanded, etc.

2.3 The Internal Audits Section will be responsible for testing and evaluating the internal control procedures at least once every three (3) years for critical or high risk functions.

2.4 The South Carolina State Auditor's Office will complete further testing and evaluation of internal control procedures on an annual basis. (4-ACRS-7D-24, 4-4036)

2.5 The Deputy Director of Administration and the Division Director of Finance will be responsible for reviewing the changes and recommendations suggested by the Internal Audits Section and the State Auditor's Office. The Division Director of Finance will be responsible for ensuring that the recommendations and changes are implemented as required, considering benefits versus costs.

3. CONTROL OF CHECKS AND VOUCHERS ISSUED THROUGH ACCOUNTS PAYABLE SECTION

3.1 To promote accountability, the Agency will require that documents submitted for payment are for approved invoices only. Checks for payment of approved invoices will be issued 30 business days from the receipt of the goods. (4-ACRS-7D-17, 4-4027)

3.2 The South Carolina Comptroller General will process the Accounts Payable documents using SCEIS and issue a Warrant for Payment to the South Carolina State Treasurer who will issue the checks for payment.

3.3 Staff from the Division of Finance will pick up the checks from the State Treasurer and remit payment to the appropriate vendors (4-ACRS-7D-17, 4-4027)

4. CONTROL OF CHECKS ISSUED THROUGH TRUST FUND ACCOUNTING:

4.1 To promote accountability, the Agency will require that checks be issued for approved invoices only. Checks for payment of approved invoices will be issued within one (1) week of their receipt and validation by the Division of Finance. (4-ACRS-7D-17, 4-4027)

4.2 The Division Director of Finance, or his/her designee, will be authorized to write checks for the following:

- E.H. Cooper Trust Fund;

- Special Funds Expenditures;

- Prison Industries Private Sector Checking; and

- Community Services (Work Release Program).

4.3 The signatures of both the Agency Director and the Division Director of Finance, or his/her designee, will be required on each check.

4.4 Blank checks will be secured in a safe place, and access will be restricted to employees approved by the Deputy Director of Administration and the Division Director of Finance.

5. CONTROL OF ORIGINAL SOURCE DOCUMENTS:

5.1 The Division Director of Finance will be responsible for maintaining managerial control of all vendor invoices.

5.2 The Accounts Payable Supervisor will be responsible for the establishment and maintenance of systematic procedures whereby all vendor invoices can be located and their status determined at any given time.

5.3 All vendor invoices will be processed as follows:

5.3.1 The central postal mailing facility will ensure the immediate receipt by the Accounts Payable Section of all vendor invoices. All invoices will be mailed directly by vendors to the SCDC Accounts Payable post office box except where specific, prior approval has been granted by the Division Director of Finance or his/her designee.

5.3.2 Personnel receiving invoices which have not passed through the central postal facility will forward these invoices to the Accounts Payable Section.

5.3.3 Individuals forwarding invoices to the Accounts Payable Section will be responsible for ensuring that the invoices have been received in Accounts Payable within five (5) working days. This should be done by verifying entry of the invoice information in SCEIS through the Display Purchase Order Transaction (ME23N). If no invoice information has been entered, contact should be made to the Accounts Payable office by telephone, CRT, or email.

5.3.4 All calls from vendors pertaining to invoices will be referred to the Accounts Payable Section. If the vendor has contacted the Accounts Payable Section without satisfaction, the vendor will be referred to the Division Director of Finance.

5.3.5 All problems that cannot be solved through the Accounts Payable Section within five (5) working days will be brought to the attention of the Division Director of Finance.

5.4 The Accounts Payable Supervisor will be responsible for identifying all areas of delay in the processing of vendor invoices. The appropriate Agency Manager will be notified of the problems and will be expected to take immediate appropriate corrective action.

6. DEFINITIONS: NONE

SIGNATURE ON FILE

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s/Bryan P. Stirling, Director

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